

Commodity Shelf Newsletter

August 2010

Where did summer go??

Can you believe it is already August? Many of you are getting prepared to start the new 2010 – 2011



School Year, and we didn't even get the chance to wish you Happy Summer. We hope you have had an enjoyable break sometime over the last couple of months and are returning rejuvenated.

The DESE – SFS office has been non-stop action all summer long and we apologize there has not been a Commodity Shelf Newsletter for June or July. The August 2010 edition will be lengthy, but there are a lot of updates/reminders in three months!!

Best of luck in the new school year! Let's make 2010 – 2011 the best school year yet.

Donated Food Deliveries

Once a month delivery of USDA Donated Foods (DF) to LEAs of Missouri for School Year 2010 – 2011 began the first full week of August and will continue through April (9 deliveries). DFs are warehoused and delivered by Food Distribution Associates (FDA), the current contracted vendor for DESE – SFS.



Please remember:

1. DF can be delivered any time between 7 a.m. and 4 p.m. Monday through Friday except on:
 - a. Labor Day (Sept. 6)
 - b. Thanksgiving Day, the day before and after Thanksgiving Day (Nov. 24-26)
 - c. Christmas Break (Dec. 23 – Jan. 3)
 - d. Martin Luther King Jr. Day (Jan. 17)
 - e. Presidents' Day (Feb. 21)
 - f. Good Friday (Apr. 22)
 - g. Monday after Easter (Apr. 25)

2. Deliveries are only required to be "tailgate".
3. A Notice to Deliver will be provided to each Local Education Agency (LEA) at least 4 business days prior to the delivery and include type and quantity to be delivered.
4. A two hour time frame for delivery will be provided to the LEA within 2 business days of delivery.

The current delivery price per case is \$1.774. Non-public LEAs will receive an invoice from FDA for the delivery of each case of DF to be paid/submitted back to FDA. Delivery of DF to public LEAs is paid for by DESE – SFS; therefore public LEAs will not receive a bill for the **delivery** of DF. However; all processed DFs have a "fee" associated with the production of each case which is invoiced by each processor and is paid/submitted back to the respective processor.

A Bill of Lading accompanies all deliveries by FDA and is required to be signed by the receiving party. Verify the correct items are being delivered (some item numbers are very similar) and confirm quantities match the Bill of Lading for each item. **MARK ANY DISCREPANCIES ON THE BILL OF LADING BEFORE SIGNING!!** DESE – SFS tracks all shorted items and validates all shortages are resolved by the end of the school year. If shortages are not marked on the Bill of Lading, DESE – SFS has no documentation for evidence an item was shorted.



For questions regarding the delivery of DF please contact the DESE – SFS office at 573-751-2646. LEAs may also contact FDA with questions and ask for either Angie Jackson or Karen Fry, 866-473-9700 or 816-833-2000.

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Issues for AFS, MC, ES Foods, B142 & B428

There were a few hiccups trying to get monthly deliveries going in August which need some explanation.

Asian Food Solutions (AFS) was gracious enough to help DESE – SFS with an abundance of B545 Brown Rice and backhauled the amount of rice needed to process for SY 10-11 from our warehouse. The logistics did not allow for the pick-up from FDA until early July, which did not allow ample time for AFS to produce **78001** – Fried Brown Rice, offered via the Processing Packet; therefore no AFS rice will be delivered LEAs in August. We hope to have everything ready for September delivery.

Mrs. Clark's (MC) shipped the correct quantity of **52922** Honey Mustard gallons, **52960** Reduced Calorie Mayonnaise, **52975** Reduced Calorie Ranch Portion Cups, **52976** Ranch Portion Cups, and **52978** Bar-B-Q Portion Cups; however they were short coded and would have been out-of-date by the time some LEAs received the product, so new products were shipped to the warehouse. The new items were not received in time for week's 1-2 distribution. Also, **52980** Spaghetti Sauce, **52981** Marinara Sauce, and **52990** Salsa were also short coded but had to be shipped from a different production plant and were not received in time for week's 1-3 distribution.

All AFS and MC products not delivered in August have been backordered at the warehouse and will ship on the next delivery to your LEA when the product is available.

East Side Entrées (now ES Foods) will not be shipping any product to LEAs until October. ES Foods plans to deliver product to LEAs in Oct, Nov, Jan, Feb, and March, equally over the five months of distribution. LEAs receiving less than 5 cases, will receive their cases on the earliest distributions. Example, if 3 cases were scheduled to be delivered, 1 case will be delivered in Oct, 1 case in Nov, and 1 case in Jan.

Cornmeal, B142, was ordered and contracted to be delivered into FDA in time for Aug distribution; however



the contractor had issues with their bags sealing, and did not get the problem resolved in time to deliver the product for Aug delivery. **ALL AUGUST B142 ORDERS**

HAVE BEEN DELETED. If Cornmeal, B142, is needed in your operation, please order the necessary amount on the [Aug Open Order](#) (due 8/16/10) for Sep delivery.

Whole Grain Rotini, B428, was ordered and contracted to be delivered into FDA in time for Aug distribution; however the contractor had production issues, and did not have the necessary volume to deliver the product for Aug delivery. **ALL AUGUST B428 ORDERS HAVE BEEN DELETED.** If Whole Grain Rotini, B428, is needed in your operation, please order the necessary amount on the [Aug Open Order](#) (due 8/16/10) for Sep delivery.

Open Order Form

Please remember the [Open Order](#) forms are filled out for delivery the next month (Ex. orders submitted by Aug 16 will be delivered with your Sep DF). The Processed [Monthly Order Forms](#) are filled out for delivery in two months (Ex. orders submitted by Aug 16 will be delivered with your Oct DF).

Also remember:

1. Include your Agreement Number with **HYPHEN** on every form (Ex. 999-555)
2. Processed Order Forms need a delivery date
3. Digital Signatures are **OPTIONAL** on Monthly Processed Order Forms (see [June 2009 Newsletter](#))
4. All Monthly Order Forms must be **E-MAILED** to webreplyascfocom@dese.mo.gov. Please save and attach the file to the E-Mail, **DO NOT SCAN.**
 - Include the LEA's 6-digit Agreement Number in the subject line of the E-Mail
5. Order Forms are due on the 15th of each month, unless the 15th falls on a weekend, then Order Forms are due the next business day.

The Open Order Form will be available by the 1st of each month prior to the delivery period. All items on the Open Order are **EXPECTED** to be in the warehouse and available for delivery; however if circumstances arise that delay the arrival of the commodity, **ALL** orders for the delayed commodity will either be **DELAYED** until the next month's distribution or **DELETED**. An update will be in the next Commodity Shelf Newsletter explaining. For items that are generally available all year, expect the orders to be **DELETED** (just as B142 and B428 were in August) and items offered once a year can expect to be **DELAYED**. This process will allow DESE – SFS to save money on storage fees accrued on each case every month and will allow LEAs to receive products with longer shelf lives.

Don't forget to check out the Prorated and Open Order Adjusted Amounts updated each month.

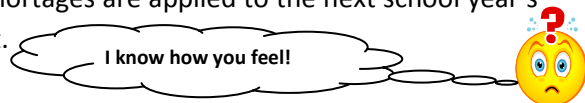
Value of Donated Food Letters

Each LEA can retrieve a [Value of Commodities Distributed Letter](#) on the [DESE – SFS Commodities Web Site](#) for SY 09-10. The Value of Commodities Distributed Letter is needed for the independent audits conducted for each LEA. The document contains the total amount of DFs received (not the processing fee paid) for the categories listed. DESE – SFS calculates the values using the [Unit Value of Donated Food](#) for SY 09-10 and multiplies it by the number of cases on record each LEA received during SY 09-10. The Rebates are determined by summing the Rebate amounts sent to each LEA as reported by each Rebate processor. Contact Matthew Essner, 573-522-1974 or matthew.essner@dese.mo.gov with any questions.



Entitlement Letters

[Individual entitlement](#) letters for SY 10-11 are now available on the [DESE – SFS Commodities Web Site](#). The entitlement amount contained in the letter is the **ESTIMATED** amount of USDA DF each LEA is entitled to based upon previous year's Average Daily Participation (ADP) and the current SY commodity per meal rate (which is 20.25 cents per meal for SY 10-11). There is also an additional 2.5 cents per meal figured into the entitlement amount for SY 10-11 to meet the USDA 12% provision (explained in the letter). If this sounds confusing it is ☺! And it's not over there....entitlements for the previous school year are then adjusted in November based upon **ACTUAL** meals served and any overages/shortages are applied to the next school year's entitlement.






The important thing to remember is DESE – SFS has many avenues for LEAs to access USDA DF: Open Order, Prorated Commodities, Monthly Order Forms, Rebate Program and the Processing Packet. USDA DFs for each of the above programs are ordered by DESE – SFS using the State of Missouri's entitlement, which is the total of all participating LEAs entitlements. At this time LEAs individual entitlement usage is not tracked throughout the school year so LEAs are encouraged to utilize all the different avenues available to ensure your LEA receives its "fair share" of the entitlement.

BONUS, BONUS, BONUS

USDA continues to make purchases to support depressed markets and DESE – SFS is taking advantage of the opportunities when they arise to offer MO LEAs additional USDA DFs. The [April Commodity Shelf Newsletter](#) announced A367, Frozen Blueberries, 30 lb case, for August and September delivery. These orders **were cancelled** by USDA due to increased prices and will not be available.

A list of all [ANTICIPATED Open Order Items for SY 10-11](#), including BONUS, can be found on the [DESE – SFS Commodities Web Site](#). The additional BONUS items that have been recently announced and not included on the list are:

1. [A387](#), Frozen, Wild, IQF, 8/3 lb packages, planned to be offered on the Nov Open Order for Dec delivery, 1,440 cases. 
2. [A408](#), Peaches, Sliced, 6/#10 cans, planned to be offered on the Dec Open Order for Jan delivery, 3,648 cases. 
3. [A409](#), Peaches, Diced, 6/#10 cans, planned to be offered on the Dec Open Order for Jan delivery, 3,648 cases.
4. [A470](#), Mixed Fruit, 6/#10 cans, planned to be offered on the Dec Open Order for Jan delivery, 1,824 cases. 

Shortages – Paying Processors

As mentioned earlier, DESE – SFS tracks all discrepancies marked on signed Bills of Lading, and tracks the shortages throughout the school year. At the end of each school year a physical inventory is taken by DESE – SFS at the contracted warehouse and all shortages not resolved during the school year are corrected. DESE – SFS works with FDA to send LEAs the items they were shorted, but in the event the exact item is not available, a comparable item with a greater value may be substituted. Any LEA who was shorted product during SY 09-10, should have received an E-mail from School Food Commodities in late June with a breakdown of the items shorted, and the make-up items to be shipped.

Because DESE – SFS verifies all shortages are rectified or more valuable DFs are received instead, LEAs need to pay their invoices to processors when they are issued. The processor has completed their obligation by delivering the product to FDA, and it is then DESE – SFS and FDA's responsibility to deliver the product to each LEA. **PLEASE PAY YOUR INVOICES!!**

Department of Defense (DoD) Update

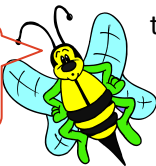
The DoD Program (where schools have been grandfathered in and can use a portion of their entitlement to purchase fresh produce for their NSLP) will be decreasing again for SY 10-11 due to concerns DESE – SFS has with the logistics of the DoD program. Amounts have not been finalized for SY 10-11. Participants can expect to receive communications (via E-mail) from Matthew Essner in the near future with amounts for the DoD Program and general information. If you feel your LEA is a part of the DoD Program and you have not received information by the end of August, please contact DESE – SFS.



Net-Off-Invoice Update

DESE – SFS has been working with a few LEAs during the 2nd semester of SY 09-10 gaining knowledge of a Value Pass Through system approved by USDA known as Net-Off-Invoice (NOI). The Pilot program involved about 20 LEAs working with one commercial distributor and

Have you
heard a buzz
about NOI?



two processors. NOI allows the LEA to purchase approved commercial products and receive a “commodity

allowance” off of the invoice. The Pilot incurred bumps in the road as to be expected, but for the most part was a fairly positive experience for the LEAs involved.

DESE – SFS recently held a meeting with additional commercial distributors and will be taking baby-steps forward in expanding the NOI Program with the hopes of eventually making NOI an option for any LEA. DESE – SFS will continue to offer the current processing options, because NOI will not be the best option for all LEAs. DESE – SFS has been asked by many LEAs to make the option available, and that is the intention of DESE – SFS if everything continues to progress successfully.

As commercial distributors and additional processing lines are added, your LEA may be contacted by DESE – SFS with additional NOI information in regards to participation. If after being contacted and researching NOI you feel NOI could be beneficial for your LEA, all parties involved (DESE, processor, distributor) will work with the LEA to get NOI set-up.

Additional information will be available as the NOI Pilot continues and more feedback is gathered. NOI will

be discussed at the Commodity Expos (dates to be determined) and at the Annual MSNA Conference, November 5-7, 2010, (more details can be found at www.mosna.org).

NSLW – Oct 11-15, 2010

“School Lunch – What’s on Your Tray?” is the theme for the School Nutrition Association’s (SNA) National School Lunch Week (NSLW), October 11 – 15, 2010. Visit



<http://docs.schoolnutrition.org/meetingsandevents/nslw2010/> for details, menus, merchandise, quizzes and additional information to make NSLW a big success for your LEA!

Prorated Commodities SY 10-11

As mentioned in the [May 2010 Commodity Shelf Newsletter](#), DESE – SFS is evolving away from “Prorated Commodities”. The exceptions for SY 10-11 are **A346** – Frozen Sliced Apples, **A515** – Cut-up Chicken, **A608** – Ground Beef, and **B065** – Sliced American Cheese. The delivery schedule for each item is as follows:

- **A346** – Nov 10
- **A515** – Sep 10 and Jan 11
- **A608** – Sep 10, Nov 10, Jan 11, and Mar 11
- **B065** – Aug 10 and Jan 11

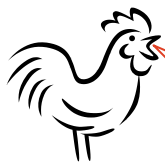
A346, A515, and A608 will be received by your LEA if the decision was made to not process on the Processing Packet submitted in February 2010. The full amount anticipated from the Processing Packet will be delivered in one delivery for **A346**. Half of the amount anticipated from the Processing Packet will be delivered each delivery of **A515**. A quarter of the amount anticipated from the Processing Packet will be delivered each delivery of **A608**. DESE – SFS’s intention was to help with storage issues and spread deliveries throughout the school year. **B065 will be sent to every LEA**. Each LEA will receive approximately one case of **B065** for every 44 Average Daily Participants.

If your LEA does not wish to receive any of the 4 “Prorated Commodities” please notify DESE – SFS and your allotment will be reallocated to other LEAs if notification is received prior to submitting the delivery information to the warehouse (by the 15th of the month prior to delivery). Acceptable notifications of a refused “Prorated Commodity” include: an E-mail to webreplyascfocom@dese.mo.gov or Fax: 573-526-3897.

Oven Roasted Chicken, A494

USDA has announced a new Oven Roasted Chicken will be made available in the very near future. USDA will be offering an Oven Roasted, 8 piece cut-up, fully cooked, bone in, Individually Quick Frozen (IQF), 30 lb case of chicken. The nutritional profile supports the

Dietary Guidelines and has less than 11% fat by weight and less than 200 mg of sodium. The item was in development during the School Nutrition Association Annual meeting and was sampled by USDA to attendees. DESE – SFS has reserved enough entitlement to purchase a couple trucks of the Oven Roasted Chicken, but would like some input from MO LEAs. Would your students be interested in this item? Does your LEA still serve bone-in chicken? Any additional advantages/disadvantages to an item like Oven Roasted Chicken? Let us know. E-mail matthew.essner@dese.mo.gov, and if the feedback is positive, you may see this item on an upcoming Open Order Form.



FACS

A meeting of Family and Consumer Science (FACS) teachers from across Missouri was recently held in Springfield, and DESE – SFS participated in their carousel presentations to discuss the use of DF in the FACS program. A lot of questions were raised about the availability of DF and if it costs the LEA for the FACS to use DF. FACS teachers were urged to discuss using DF individually with the FSD of each LEA, because we understand everyone has individual arrangements established. Emphasis was also put on referencing the contract if an LEA who contracts their food service with a Food Service Management Company (FSMC).

Just a reminder: DF can be used in the FACS program. The DF regulation [7 CFR part 250.48 \(g\)](#) states that "School food authorities receiving donated foods under this part may use such foods for the purpose of training students in home economics". Another note (as mentioned above) DESE – SFS is currently not tracking entitlement usage throughout the school year; therefore, not ordering DF for FACS because of the lack of entitlement also should not be an issue at this time.

Tasty Brands Product Update

DESE – SFS received notice that Tasty Brands item number 52220 – Mini Pizza Bagels, has changed from a 130 portion case costing \$63.70 and is now a 120 portion case with a new cost of \$58.80 per case. The portion cost remains \$0.49. The new case size will begin shipping in September.

Smucker's Rebate

If you have looked at the [J.M. Smucker's Rebate Form](#) for SY 10-11, you may notice there are additional columns; one column with the Value of Donated Food and one column with the Additional Smucker's Rebate. Smucker's has always provided additional rebates above the amount of DF, but this year we separated the amounts out for clarity. This was also done because the Value of Commodities Distributed includes Rebate amounts, but for DESE – SFS purposes, the total Rebate is more than the Value of DF, and only the Value of DF is included on the end of the year Value of Commodities Distributed.

Quotes for the Month

"You are the right person, this is the right time, you've paid your dues, you're thinking the right thoughts, you're doing the right things, and this very moment, you are exactly where you're supposed to be... poised for the happiest time of your life." – Mike Dooley

"The great thing about being yourself, is that if you always do it, people expect it, and accept nothing less...no matter how different you may be." – Michelle Cole



"Far and away the best prize that life offers is the chance to work hard at work worth doing." – Theodore Roosevelt

DESE – SFS Commodity Section Contacts

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Monthly Orders should be submitted to:

webreplyascfocom@dese.mo.gov

FDA (Angie Jackson or Karen Fry):

866-473-9700 or 816-833-2000